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STATE FOR WHA/BSC AND EB/IFD/OIA
STATE PASS TO USAID FOR LAC/AA
STATE PASS TO USTR FOR LYANG
NSC FOR SUE CRONIN
TREASURY FOR OSIA MAUREEN WAFER
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR
COMMERCE FOR ITA SARAH COOK
SOUTHCOM FOR POLAD
NAIROBI FOR MICHAEL FITZPATRICK

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SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE, MAY 20-26,

2006

REF: ASUNCION 0432

11. SUMMARY:

- -- Ex-Prosecutor Convicted of Theft
- -- Military Holds Human Rights Leadership Meeting
- -- Congress is Perceived as Most Corrupt in Government

Ex-Prosecutor Convicted of Theft

12. (U) On 4/20, former prosecutor and Vice Minister of Interior Carlos Carolos Advin Calcena was convicted of theft for his involvement in stealing approximately USD 350,000, 125,000 Brazilian Reals and 5 kilograms (kg) of gold seized from Brazilian drug lord Jamie Amato Filho in 2001. Late last week, the Supreme Court's Penal Court rejected Calcena's habeus corpus request and petition to be placed under house arrest and reaffirmed his six year sentence. According to SENAD officials, this is the first successful prosecution of a senior public figure since the fall of the Stroessner dictatorship. (NOTE: Senior police official Aristides Cabral was implicated in this theft with Calcena. However, Cabral has escaped prosecution through legal maneuvering supported by key political figures. End Note) (reftel)

Military Holds Human Rights Leadership Meeting

13. (U) As part of an initiative sponsored by Southern Command, the Center for Analysis and Training in Human Rights (CECADH), an NGO located in Costa Rica, along with the Ministry of Defense and the Armed Forces held a joint leadership meeting to discuss Human Rights in Paraguay on May 22-24 with the objective of setting the framework for a wider discussion with civil society in August. However, this follow-on seminar is pending Paraguay's signature to an agreement with CECADH by June 15. We had hoped and expected General Kanazawa, Paraguay's Commander of the Armed Forces to sign this agreement on May 22, but he declined at the last

minute. Kanazawa has been embroiled in a controversy over a heavy-handed statement the military issued last December when the Senate held up a vote on military promotions. He may be seeking a low profile for the time-being.

Congress is Perceived as Most Corrupt In Government

¶4. (U) On May 24, Transparency Paraguay (TP) presented the results of its annual corruption survey finding that over 54.8 percent of the 1200 Paraguayans polled in the survey viewed the Congress and its members (Senators and Deputies) as the most corrupt institution in the Paraguayan government. The Judiciary (46.7 percent) closely followed the Congress, as the second most corrupt institution. (Note: Last year the same survey found the judiciary was viewed as the most corrupt institution. End Note.) Other organizations such as the National Police, political parties, and the Customs Organization were also identified as corrupt. In interviews with the press, TP Executive Director Pilar Callizo said that in general Paraguayans remain very pessimistic about whether government's institutions are genuinely committed to fighting corruption. She also noted that one in four Paraguayans is asked to pay a bribe for services provided by government organizations, especially for identity documents, such as passports and cedulas.

15. (U) In response to the survey results, Patria Querida Senator Miguel Carrizosa acknowledged to the press that the survey results were shameful and he accepted part of the blame for the public perception of the Congress,. Other congressmen stated to the press that they did not believe their organization was the most corrupt of all government

institutions and singled out other organizations as more corrupt than their own. ${\tt CASON}$